



Health Care Solutions for America: Solutions Group Reform Plan In-Depth Discussion

The House GOP Health Care Solutions Group has been working for months on a plan, listening to the American people, talking to doctors and patients, collecting input, and studying and debating ideas. This process has resulted in the broad outline of a health care reform plan that the solutions group hopes will receive bipartisan support. Some of the key aspects and focal points of this health care reform plan are described in this discussion document. The health care reforms outlined are designed to:

1. Make quality health care coverage affordable and accessible for every American, regardless of pre-existing health conditions.
2. Protect Americans from being forced into a new government-run health care plan that would: a) eliminate the health coverage that more than 100 million Americans currently receive through their job; b) limit your choice of doctors and medical treatment options; and c) result in the federal government taking control of your health care.
3. Let Americans who like their health care coverage keep it, and give all Americans the freedom to choose the health plan that best meets their needs.
4. Ensure that medical decisions are made by patients and their doctors, not government bureaucrats.
5. Improve Americans' lives through effective prevention, wellness, and disease management programs, while developing new treatments and cures for life-threatening diseases.

These five principles were outlined in a May 14, 2009, letter from House Republican leaders to President Obama seeking a meeting to discuss areas for potential common ground on health care reform.

In the meantime, the House GOP Health Care Solutions Group has released some additional details of the plan being developed to meet these principles. Using this information, House Republicans will be engaging our constituents in a dialogue about health care reform during the Memorial Day district work period. Following is a summary of some of the key aspects and focal points of the health care reform plan being developed by the House GOP Health Care Solutions Group.

Health Care Reform and YOU

Republicans believe there are a number of potential areas for common ground to work with President Obama to make high-quality health care coverage affordable and accessible for every American. Health care choices are incredibly personal decisions that only you and your family can make. No bureaucrat should determine and inject themselves into what could be a life or death decision for you and your family.

The best ideas and solutions to improve the quality of health care in America are almost always generated by the doctors and health care providers who work closely with the patient. We have been examining existing laws and policies to determine whether they make health care more expensive and actually hinder access to affordable health care coverage.

We know that a government takeover of health care will raise taxes, ration care, let government bureaucrats make decisions that should be made by families and doctors, and eliminate the health coverage that more than 100 million Americans currently rely on. That's why our solutions are focused on the real problems that need immediate attention – lowering the cost of your health care and helping people who are most in need. Republicans want to create more affordable health care coverage options so that all Americans can access the health care coverage that they need to live healthier lives.

I. Reducing Costs and Making Health Care Affordable for Everyone

More Americans will gain access to quality health care once its costs are brought under control. Republicans are crafting solutions to address rising health care costs. These include:

- Eliminating waste, fraud, and abuse in our nation's entitlement programs like Medicare and Medicaid.
- Fixing medical liability rules that line the pockets of trial lawyers at the expense of patients and doctors.
- Incentives for states to redesign insurance laws to make health care coverage more affordable for their residents.
- Providing small businesses with more options to provide health care coverage for their employees and families.
- Cutting regulations so insurance companies must compete for your business and you can shop around for the best coverage and price.
- Focusing on prevention and wellness programs instead of paying for costly procedures after you get sick.
- Fixing flawed government payment policies such as the Medicare physician payment formula, which shifts costs from government programs to private insurance.
- Increasing transparency to improve patients' access to the best health care quality and pricing information available.

II. If You Like Your Health Care Plan, You Should Be Able to Keep It

Most Americans under age 65 receive health care coverage through their employer. Republicans believe we should let Americans who like their health care coverage keep it, and give all Americans the freedom to choose the health plan that best meets their needs. Americans should not be forced into a new government-run health care plan.

Republicans want to work with the President to provide individuals and families, especially those who are currently uninsured, with incentives to purchase high-quality health coverage. We can do this by bringing equity to the tax treatment of health insurance by providing a refundable, advanceable tax credit to those with modest income and through a tax deduction to purchase coverage.

Instead of forcing Americans into a one-size-fits-all government-run plan, these policies will give Americans greater choice. These new subsidies will also help Americans who have lost their job, or fear that switching jobs could compromise their access to affordable health coverage.

There is a striking lack of transparency in health care that makes it extremely difficult for patients to “comparison shop” for health services based on quality and cost. Republicans will also encourage the creation of Health Plan Finders, at the state and regional levels, to expand access to information about all the insurance options available, and to allow every family to shop for the health care plan that best meets their needs.

III. Expanding Access to Quality Health Care for Those in Need

When you are sick, or have a pre-existing condition, finding affordable health insurance coverage can be very difficult, depending on where you live. Many, but not all, states have enacted programs to help the sickest of the sick so that these patients do not go without care. Successful programs of this kind help to guarantee that hard-to-insure patients do not face a financial catastrophe when they are sick.

Republicans want to give this population a real safety net by creating a new Universal Access Program that allows the federal government to partner with the states to improve programs that guarantee access to affordable coverage to patients with pre-existing conditions.

Republicans also believe we should never give up hope in finding cures and new treatments for patients who suffer from life-threatening diseases and disorders. The United States is the world’s leader in life sciences research and product development. Any changes we make should strengthen this critically important scientific industry. It’s heartbreaking to hear stories about families in other countries who don’t have access to the same life-saving treatments that many Americans do. Daniel Levine wrote in the Journal of Life Sciences:

“Four years ago, my uncle was diagnosed with non-Hodgkin’s lymphoma, a cancer of the lymphatic system. He was like a father to me, so the news was extremely upsetting. Wanting to do

something to help, I delved into possible treatments for his condition, beyond the chemotherapy he was receiving at the British Columbia Cancer Agency in Vancouver, where he lived. I came up with some good news: There was a new drug, Rituxan, that was having great success combating lymphoma in patients in the United States. And I came up with some bad news: Rituxan wasn't yet available in Canada."

("The Smiling Heretic," The Journal of Life Sciences, April/May 2008)

IV. Keeping Small Businesses Competitive

If you work for a small business and your employer cannot afford to offer health insurance, in many states it is very difficult to purchase affordable health insurance on your own. One of the largest obstacles for many small businesses when it comes to retaining current employees or creating new jobs is the cost of health insurance. Trying to keep up with huge increases in health care premiums – faster than the rate of inflation – can prove to be an impossible task. As a result, many small businesses are not able to provide health insurance benefits at all.

"About six years ago, Thom Coffman paid \$3,000 a month in health-insurance premiums for his 48 employees. The workers at his two restaurants -- the Clarmont on S. High Street and Thom's on Grandview near Grandview Heights -- picked up 20 percent of their health-care costs. But through the years, premiums jumped to \$15,000 a month, something neither Coffman nor his workers could afford. "I had to make a decision: keep my businesses or get rid of the health-care plan," Coffman said. Though he was concerned about his workers' families, he canceled the health policy."

("Many Ohio small businesses no longer covering employees," The Columbus Dispatch, April 22, 2009.)

New start-ups and successful small businesses are critical to revitalizing our economy, creating new jobs, and addressing the skyrocketing cost of living for middle-class families. It's not surprising that new small businesses, which need to focus on balancing cash flow, are not able to afford health insurance for their employees at the risk of not being able to cover overall costs.

Helping small businesses provide affordable health care coverage to their employees is an important policy that deserves bipartisan support. There are many solutions that will benefit small businesses, including providing incentives for states to reform insurance laws and encouraging states to form regional partnerships. In addition to working with the states, Republicans believe we should provide immediate relief to small business through new pooling opportunities to encourage more small businesses to offer quality health coverage in addition to a new tax credit to help small businesses with the administrative costs of establishing and maintaining health benefits.

Republicans believe that adding more costs to employers – large and small – through mandates and higher taxes is the wrong solution for America's workers and will do little to improve health care in this country. Adding costs to employers can also harm those who need the most help. As William J. Dennis, Jr. of the National Federation of Independent Business recently testified before the House Ways and Means Committee, "Employer mandates

adversely affect the low-income [population] because they result in lost employment, depressed wages, and other unfortunate impacts, such as the lost work hours, for employees in general, but for the low-income in particular.”

V. Promoting Higher Quality Care in Safety Net Programs

According to the Census Bureau, nearly 30 percent (13.9 million) of the uninsured have incomes less than \$25,000, and are most likely eligible, but not yet enrolled in, a safety-net program such as Medicaid or the State Children’s Health Insurance Program (SCHIP). Even though the poor have health insurance coverage through these programs, in many states they do not necessarily have access to the best care available.

A Louisiana resident recently wrote about Governor Bobby Jindal’s efforts to reform the Medicaid system in Louisiana. She said:

“I have been watching and reading about Gov. Jindal revamping the Medicaid system. I am one of those who cannot afford medical insurance and have Medicaid. I live in the Sulphur, Lake Charles area. I was diagnosed with a brain tumor 2 weeks ago. My doctor told me to just go to Shreveport. He told me to just show up and go to the emergency room and tell them I have a brain tumor and they would get me in a lot sooner than having to wait the usual 6 months to get in to see a neurosurgeon. Going to Shreveport is not an option for me. It is 4 hours there and 4 hours back, not including gas and the possible charge for a hotel room overnight and the continuous trips I will probably have to make. I have custody of my four year old granddaughter, who is autistic, and I cannot leave her with just anyone. It is just the two of us. I have tried to locate a neurosurgeon in Lake Charles, impossible because not one of them will take Medicaid. I called Lafayette. No one there will take Medicaid. Please suggest what do I do.”

[Constituent letter to the Office of Dr. Charles Boustany – (R-LA)]

We need to make sure Americans who rely on our safety net programs still have access to high quality care. The health care reform plan being developed by the House GOP Health Care Solutions Group makes this a priority by promoting premium assistance programs where patients can access Medicaid and SCHIP benefits through private health insurance.

VI. Providing Affordable Health Care to Young Americans

Nearly 60 percent of the uninsured population in America is under the age of 35. If you are young and healthy, it’s not surprising that you choose not to buy an expensive health care plan that that offers more than you need, often a result of costly state mandates.

Republicans believe we can encourage many young Americans to buy insurance on their own – without forcing them to buy costly health insurance – if there are more affordable options to choose from. In addition to helping with the purchase of health coverage, Republicans are exploring creative solutions that will encourage young Americans to buy less expensive coverage, such as purchasing coverage through a church, club, or college alumni association.

VII. Improving Long-Term Care for Families Who Need It

Many Americans are worried long-term care costs will bankrupt their families. Republicans are committed to improving long-term care services for our seniors, which starts with early planning and saving for retirement and older age. Republicans believe we can dramatically expand access to long-term care services, without overburdening the Medicaid system, by simple changes to encourage more Americans to buy private long-term care insurance at an earlier age; by permitting individuals to use Flexible Spending Account (FSA) and cafeteria plan funds to purchase long-term care insurance; and allowing some deduction for long-term care insurance premiums to offset costs.

Many states are helping their residents through long-term care partnerships. We should encourage more states to adopt the successful state models that are working. This also includes expanding home and community-based care options, rather than institutional care, so that seniors can choose to receive care outside of an institutional setting.

VIII. Conclusion

House Republicans look forward to working across party lines, with our colleagues in the Senate, and with President Obama to see the enactment of health reform that meets our shared goals of lowering costs and improving access without forcing Americans who like their coverage to change and without undermining the doctor-patient relationship that is at the heart of good medicine.

Further information about the House GOP Health Care Solutions Group is available online at <http://www.blunt.house.gov/healthcare>.